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**UAW Testimony on Mortgage Foreclosure
HB 4764, 4765, 4766 and 4767
before the House Financial Services Committee
Wednesday, June 5, 2013
by
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Michigan's foreclosure crisis has had a tragic financial impact on thousands of Michigan's working families whose home is their single largest financial investment. Plant closures, layoffs and falling home values have put their investment at risk and pushed many of them into a foreclosure process that could eventually lead to them losing their home.

Many use the current six month redemption period to seek alternative financing so they can keep their home. That's a good thing. It's good for the family who can save their investment. It's good for local neighborhoods that won't see property values decline because of another vacant home on the block. It's good for local businesses, who depend on viable neighborhoods to sustain their operations. And it's ultimately good for financial institutions that can see a customer continue to be able to make their payments.

This package would shorten the redemption period to two months, a change that will force more people out of their homes instead of helping them find a way to keep it.

Ostensibly, one of the reasons this is being done is because of vandalism that is taking place in some homes during the six month period. Evidently the thought is that forcing homeowners out after two months will alleviate that problem. Frankly, that doesn't make sense. If someone wants to trash a house, they can do it in two months, a week or even a couple of hours. And what happens to the house after the family is put on the street? Standing vacant, it will become easy prey for scavengers, vandals and scrappers who can strip the pipes, electrical wiring and other structural components, making the house even less likely to be occupied.

It almost seems to suppose that homeowners in foreclosure are inherently vandals waiting to trash the home they have lived in. For many, this is the home where they raised their children, decorated a Christmas tree, celebrated Thanksgiving and welcomed family and friends. They want to save their home and investment, not trash it.

We strongly oppose the reduction of the redemption period from six to two months.

The one item in this package that has any urgency is the upcoming sunset for Michigan's pre-foreclosure negotiation statute. We urge you to break the tie-bars in the package, extend that sunset and continue to work on an equitable solution to other aspects of these bills.